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S E C R E T SECTION 01 OF 04 ABUJA 002106

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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [ETRD](#) [EAID](#) [KCOR](#) [NI](#)

SUBJECT: ENGAGING NIGERIA: SUPPORT FOR REFORMS

REF: A. ABUJA 1989

- [1](#)B. ABUJA 1939
- [1](#)C. ABUJA 685
- [1](#)D. ABUJA 2041 AND 2042
- [1](#)E. ABUJA 828
- [1](#)F. ABUJA 937
- [1](#)G. 03 ABUJA 2184

Classified By: CHARGE D'AFFAIRES THOMAS P. FUREY FOR REASONS 1.5 (B), (D), AND (E)

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Summary  
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[1](#)1. (S) The grip of the interlocked coteries that have ruled Nigeria since the civil war (ref A) continues to be the driving force in Nigerian politics. In order for Nigeria to move ahead, this grip must be loosened. Until Nigerians gain a real stake in their own society, they cannot begin to care deeply about the political arrangements that affect them. Mission has identified a series of actions intended to accomplish three discrete, but overlapping tasks: a) break up the coteries; b) help the "modernizers;" and c) enable Nigerian economic development and prosperity. These three elements will be focused on breaking the coteries' hold, but should be balanced to limit the institutional disruption that pursuing one without the other could bring. Any success in dismantling the groups will support the efforts of Nigeria's "modernizers:" its next generation of leaders who say they want to break Nigeria's pattern of entrenched corruption. These modernizers come from throughout the country and are generally younger, western-educated technocrats, much like the current regime's economic "dream team." When the coteries are weakened, economic and political development will become possible. The following initiatives have been identified by the Mission:

Breaking up Coteries

- Engage and Lobby National Assembly on Political and Financial Reform Measures (Para 4 and 5)
- Shift Technical Focus to Embedded Experts (Para 6)
- Fund MPRI Civil-Military Program (Para 9)
- Restart IMET (Para 10)

Supporting "Modernizers"

- Support Political Parties (Para 14)
- Assist Civil Society (Para 15)
- Encourage Judiciary (Para 16)

Enabling Economic Development

- Continue Visas Donkey Program (Para 19)
- Design Debt Relief Linkages (Para 20)
- Facilitate AGOA Investment (Para 23)

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Breaking the Coteries - Political  
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[1](#)2. (S) Despite its federal structure, the Nigerian political system is highly centralized with most of the power residing in the Presidency. Nigeria's political culture is a legacy of military rule, colonial governance, and many of the indigenous forms of government that preceded the current political arrangement. Decisions, and even non-decisions, cannot be made without the President's approval, the National Assembly was largely handpicked as supporters of the President, and the Judiciary remains under threat both from the corrupt members within its own ranks and attacks by the GON when court decisions do not conform to the whims of government. With total control of the budget resting in the Presidency (a nod to the National Assembly currently provides for the barest of oversight authority), almost every funding decision has the potential to be both a political sop to supporters and a club with which to intimidate critics. Encouraging the executive branch to behave as a partner in Nigeria's development rather than a (sometimes rather stern) father would encourage cooperation from the other levels of government.

[1](#)3. (S) It is important to develop the National Assembly as an institution capable of holding the GON's executive branch

accountable for its actions. While elements in the current National Assembly appear to be paying more attention to oversight of government officials and budgets, in the current dispensation the National Assembly remains weak and provides little effective oversight. Many believe the quality of the Assembly declined significantly with the 2003 elections. The 1999 legislature included many well-known politicians who are now gone (some 80% of the politicians who received USG technical assistance in the 1999 legislature are now out of office).

14. (S) The U.S. should engage the National Assembly on a packet of measures that would strengthen oversight of the Presidency, increase the prospects for a democratic election in the future, and further professionalize the military (see next sections for specific approaches to the military). First, the USG should aid in the establishment and operation of a National Assembly budget office, in close cooperation with the UK and other international donors, particularly the European Union and the World Bank. In conjunction with this effort, a strong lobbying effort should be mounted to encourage the passage of the Fiscal Responsibility Bill to provide oversight over expenditures at every level.

15. (S) A second, simultaneous lobbying effort could also tackle the military's system of preferential promotions. Enacting guidelines that ensured promotions based on competence and ability, rather than on ethnic affiliation and political ties, would support other USG efforts to instill high professional standards.

16. (S) Most GON ministries are ineffective, existing more to provide employment than to take action. The Presidency is the sole decision point for the GON. In spite of this, parts of the Ministries of Health and Education are able to operate effectively, to some degree, and should receive U.S. support. The most effective support is in the form of embedded technical assistance, but it is important that the U.S. actually be able to provide the embedded staff. It is also important to build in some level of control and influence over the processes to which these experts contribute. Alternatively, there should be no compunction about criticizing when best practices are subverted for private gain. Junkets provide no benefits, and the U.S. should not provide additional plane tickets to GON bureaucrats.

17. (S) The states receive half of all GON revenue, and implementation of GON programs rests heavily with the states. Several states stand out as more effective than the rest and deserve U.S. support: Gombe, Bauchi, Katsina, Cross Rivers, Kaduna, Lagos, Kwara, and the Federal Capital Territory (Abuja) among them. A few other states stand out for their lack of demonstrated commitment to improvement and should be avoided: among them Ogun, Adamawa, Plateau, Rivers, Delta, Zamfara, and Benue.

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Breaking the Coteries - Military  
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18. (S) Military corruption is heavily ingrained; long-term reform is necessary to help address the problem. Regularizing military procurement, pay, contracts, and operational expenditures will greatly reduce the scope and opportunity for large-scale corruption. However, many people benefit from the current system, so radical changes will require significant support from politicians and the middle echelons of the armed forces. The Civil-Military Program, IMET, and other professional training form the best route for success, but a long journey is required for effective change. The military reflects society at large, so a reduction in military-specific corruption can only reasonably be expected within the framework of larger governmental and societal changes.

19. (S) The MPRI Civil-Military Program, which has lapsed due to the GON's failure to fund its project obligations, is important enough that the U.S. should consider fully funding it, regardless of the GON's lack of contribution. The Civil-Military Program focuses on reform and modernization within the military, civilian control, resource management, legislative relations, and training management. Even though there were funding problems, a group of "modernizers" within the Nigerian military and the National Assembly recognizes the value and necessity of the reforms being worked on by the Civil-Military Program.

110. (S) With the lifting of the Feingold sanctions on military assistance, the remaining obstacle to ongoing military cooperation is the Leahy sanctions. Continuing sanctions have led to a downward trend in funding for Nigerian military assistance, and a waiver or lifting of Leahy sanctions is necessary for effective defense cooperation. The sanctions have shut down IMET training, one of the USG's most useful and effective means of positively influencing military officers. Our priority should be to restart the IMET program.

11. (S) EUCOM has proposed to track oil bunkering vessels, but intelligence sharing is only part of the equation: the GON would need to take action on the intelligence received, so Nigerian buy-in on the EUCOM proposal is essential to its success. However, since participation in bunkering runs to the highest levels of the GON, full buy-in by the GON is unlikely. Raising this issue could be problematic for both sides, with the USG unwilling to share significant portions of intelligence and the GON unwilling to act in areas that hurt the elites who are deriving the illicit benefits.

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Supporting the "Modernizers"  
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12. (S) When searching for "modernizers," Obasanjo's economic "dream team" exhibits the desired traits--education, experience, and international reputation--but Obasanjo's team has little public support within Nigeria. A wider group of business and political leaders exists apart from the Obasanjo team and has little interaction with it. This group of "modernizers" is generally supportive of the goals stated by Obasanjo and could assist in selling a credible reform program, promoting ethical guidelines, and pulling Nigeria's political economy from its 20-year miasma. Composed primarily of professionals from all elements of society, the "modernizers" are also in agreement that the ongoing excesses of the past 30 years need to be addressed. Some take part in politics, others in business; most are not at the forefront of the political battle shaping up for 2007. This group, currently operating outside the Nigerian political limelight, must be encouraged to contribute to Nigeria's future. The following policy initiatives are designed to encourage broader participation by this target group.

13. (S) AID targets three areas for assistance to strengthen Nigeria's electoral process: INEC, Nigeria's political parties, and domestic election monitors. It is a matter of debate whether to continue to support the Independent National Electoral Commission (INEC), given the serious flaws in the 2003 elections, and especially INEC's testimony in the Buhari tribunal that it saw no need to be independent (ref B). Without legislation strengthening INEC's independence and removing its funding from political caprice, little or no improvement can be expected over the dismal 2003/2004 election cycle. However, "throwing out the baby with the bathwater" would also not serve U.S. interests. The USG should remain engaged with INEC and seek to secure a more cooperative working relationship with its officials.

14. (S) As currently established, the political parties in Nigeria range from irrelevant (the 26 mini-parties) to regional/ethnic based (APGA and AD) to groups of elite seeking to maintain control over Nigeria's resources (PDP and ANPP). It is important to support the development of party platforms based on an ideological and/or programmatic agenda. USAID is currently supporting the International Republican Institute (IRI) in political party development.

15. (S) Providing continuing support to civil society will be a key activity for the U.S. in preparation for the 2007 elections and is one of the most important deliverables among our programs. While most "civil society" organizations are not representative of their purported constituencies, many have talented and dedicated staff. To ensure that the 2007 elections are monitored by local observers, much more development and training needs to take place. It is critical that Economic Support Funds (ESF) are released by the Department to fund programs that support a transparent and accountable electoral process, and that engage civil society in that process.

16. (S) In Ref C, Post recommended ways to support rule of law in Nigeria. We need to focus on good governance and transparency, both economic and political, and we should make our attention toward these issues public, including commentary on positive and negative actions by the judiciary. Public support for the process, and not for individuals, is an important aspect. Obversely, private criticism of failures should de-emphasize the process and focus on the individual. Depersonalizing our public approach will allow us to maintain relations with all the players in the process and encourage some to improve. Efforts to empower the judiciary are critical for both the nation and for the "modernizers," but we have little in the way of programming to offer. The judiciary, out of the mainstream for many years and viewed as a tool of the "powers that be," can respond to and be empowered by public encouragement. An added benefit is an expected improvement in the USG's image, helping to persuade the increasingly alienated citizens of Nigeria that the USG cares that they have a stake in the process.

17. (S) Twelve Nigerian states have adopted Shari'a, or Islamic law. In order to prevent abuses of Shari'a,

particularly cruel and unusual punishment, the U.S. should continue to provide assistance to local Islamic organizations that provide legal assistance to Shari'a defendants. The U.S. should not be publicly involved in this effort, however; to do so would strengthen those interested in imposing an intolerant version of Shari'a. The U.S. should increase opportunities for interaction between American and Nigerian Muslims, while avoiding direct confrontation over the legal code.

18. (S) It is essential to continue public outreach efforts, especially by maintaining Post's publications such as "Crossroads" and its Hausa counterpart "Magama." We should expand the American Corners program, and should regularly poll public opinion to monitor the success of our activities.

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Enabling Economic Development  
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19. (S) Corruption is such a pervasive issue in Nigerian society that it must be addressed. If the U.S. rewards the modernizers, it must also penalize the transgressors. A key element here is to expand the Visas Donkey program that Post began implementing in December (Ref D). The U.S. should also comment publicly and regularly to encourage prosecutions for all corruption.

20. (S) The U.S. should consider options relative to debt relief for Nigeria, linking debt relief to transparency with no immediate commitment (Ref F). Any assistance provided to the GON should come with an appropriately strong level of Nigerian public oversight and access to the processes (not to be confused with oversight and access by NGOs, which are part of the system and often not Nigerian).

21. (S) In Ref E, Post recommended ways to reduce tensions that lead to ethnic conflict and other communal violence. The U.S. should treat Nigeria's many Rule of Law problems not as blemishes in its system of governance, but rather as fundamental breakdowns. The U.S. should make strong representations advocating that the GON establish Rule of Law generally in areas now dominated by heavily armed militias. For the Delta, we will first need a consensus with the oil majors that security must be established by the GON and not through local partners. We can approach other friends of Nigeria to weigh in as well. The U.S. should take a stand that Nigeria's state governments must extend the Rule of Law to their "non-indigene" citizens, people categorized legally as having family origins in another Nigerian state. President Obasanjo, along with other luminaries, has publicly called for Nigerians to stop discriminating along indigene/non-indigene lines, and U.S. spokesmen can echo his call.

22. (S) The U.S. should raise the priority for the GON's establishing a workable land use and easement registration system. A workable system is a necessity for Rule of Law to resolve land disputes at the heart of several of Nigeria's so-called ethnic and religious conflicts, and it will yield additional benefits in improving the GON's tax and utilities revenue collection and in capital formation. An element of such an overhaul needs to include a rationalization of governmental land holdings. A rational system of land registration and usage should lead to the divestiture of many federal and state land holdings, further reducing the opportunity for graft in the preferential distribution of prime properties.

23. (S) The U.S. should work to improve the environment for U.S. investment in Nigerian industries interested in exporting to the U.S. under the African Growth and Opportunity Act (AGOA). The GON would have to commit in advance to facilitating such investment, and Post believes a USDOC advocacy program on behalf of other U.S. firms seeking to make greenfield investments in Nigeria would help (Ref G).

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Wrap-Up  
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24. (S) Until Nigerians gain a real stake in their own society, they cannot begin to affect their own political arrangements. The "modernizers" are Nigeria's best hope for developing a sustainable, stable Nigeria. While currently marginalized by the prevalence of the ruling coteries, this group of like-thinkers has yet to give up hope. If the USG encourages a more open electoral system and cleaner economy, the Nigerians who continue calling for representative and accountable governance could be emboldened. Some elements of this program have the potential to introduce a degree of uncertainty into the Nigerian polity...but failure to act already has.

FUREY